

**Unofficial Draft Copy**

As of: March 31, 2009 (8:25am)

LC2325

\*\*\*\* Joint Resolution No. \*\*\*\*

EXHIBIT 2

DATE 3/31/09

Introduced By \*\*\*\*\*

LC2325

By Request of the House State Administration Standing Committee

A Joint Resolution of the Senate and the House of Representatives of the State of Montana requesting an interim legislative study of pay policies and practices on bonuses for state government employees; articulating policy goals; and requiring a report of findings and recommendations to the 62nd Legislature.

WHEREAS, controversy over bonuses called attention to the topic of bonus payments for state employees and resulted in the introduction of three bills to restrict bonuses for certain types of employees and at certain times; and

WHEREAS, the three bills were House Bill No. 358 by Representative Bergren, House Bill No. 576 by Representative Warburton, and House Bill No. 594 by Representative Hunter; and

WHEREAS, each bill took a different approach to restricting bonuses and was aimed at a different issue related to bonus payments; and

WHEREAS, the House State Administration Committee heard each bill, tabled each bill because of unresolved questions on the bill, conducted informational and discussion sessions about pay and bonuses in state government, and decided that an interim legislative study on bonuses should be requested to encompass the issues raised by the tabled bills; and

WHEREAS, an interim legislative study will enable a thorough

examination of pay policies and practices concerning bonuses paid to state employees and facilitate a systematic approach to drafting legislation for the next legislative session; and

WHEREAS, if interim committee workload precludes a full-fledged committee study, the study objectives outlined in this resolution can be accomplished through a staff white paper.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to:

(a) review each state agency's policies and practices on providing bonuses and compare and contrast how bonuses are paid to classified versus nonclassified employees within and among the agencies;

(b) examine how money appropriated for the 2008-2009 biennium under section 2-18-303(2), Montana Code Annotated, for purposes including but not limited to market progression, job performance, or employee competencies was used;

(c) examine whether any bonuses paid since July 1, 2007, were paid according to established guidelines and procedures and whether bonuses are considered an effective or necessary pay administration tool;

(d) identify and analyze issues and options related to how bonuses are or should be paid; and

(e) develop conclusions and offer recommendations,

including any necessary implementing legislation, on how best to meet the policy goals listed in subsection (2) with respect to bonuses.

(2) That the legislative study of bonuses described in subsection (1) be conducted in the context of the following policy goals:

(a) transparency to avoid possible impropriety or the appearance of impropriety;

(b) accountability and oversight to ensure established procedures are followed and that there is ongoing monitoring and periodic review of policies and practices;

(c) equity within and among agencies to ensure that there is a sound rationale for flexible policies, variable practices, and exceptions; and

(d) definition and clarity in statewide as well as agency standards and guidelines governing how and why bonuses are to be given to employees in classified as well as nonclassified positions.

BE IT FURTHER RESOLVED, that the study not include an examination of the pay and bonuses of employees whose compensation is not within the scope of House Bill No. 13, the pay plan bill covering both classified and nonclassified positions in state government;

BE IT FURTHER RESOLVED, that if the study is assigned to staff, the study's findings and conclusions, including any suggested legislation, be presented to and reviewed by an appropriate committee designated by the Legislative Council.

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BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2010.

BE IT FURTHER RESOLVED, that the final results of the study, including the study's findings, conclusions, recommendations, and suggested legislation, be reported to the 62nd Legislature.

- END -

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Officers and employees whose salaries are NOT affected by HB 13, the pay plan bill, are shown in red:

**2-18-103. Officers and employees excepted.** Parts 1 through 3 and 10 do not apply to the following officers and employees in state government:

- (1) elected officials; A pay increase would not be included in the pay plan bill but a health insurance increase would be
- (2) county assessors and their chief deputies;
- (3) employees of the office of consumer counsel;
- (4) judges and employees of the judicial branch; A pay increase would not be included in the pay plan bill but a health insurance increase would be
- (5) members of boards and commissions appointed by the governor, the legislature, or other elected state officials;
- (6) officers or members of the militia;
- (7) agency heads appointed by the governor;
- (8) academic and professional administrative personnel with individual contracts under the authority of the board of regents of higher education;
- (9) academic and professional administrative personnel and live-in houseparents who have entered into individual contracts with the state school for the deaf and blind under the authority of the state board of public education;
- (10) investment officer, assistant investment officer, executive director, and five professional staff positions of the board of investments;
- (11) four professional staff positions under the board of oil and gas conservation;
- (12) assistant director for security of the Montana state lottery;
- (13) executive director and employees of the state compensation insurance fund;
- (14) state racing stewards employed by the executive secretary of the Montana board of horseracing;
- (15) executive director of the Montana wheat and barley committee;
- (16) commissioner of banking and financial institutions;
- (17) training coordinator for county attorneys;
- (18) employees of an entity of the legislative branch consolidated, as provided in 5-2-504;
- (19) chief information officer in the department of administration;
- (20) chief business development officer and six professional staff positions in the office of economic development provided for in 2-15-218;
- (21) chief public defender appointed by the public defender commission pursuant to the Montana Public Defender Act, Title 47, chapter 1, and the employees in the positions listed in 47-1-201(3)(a), who are appointed by the chief public defender.

Officers and employees whose salaries are NOT affected by HB 13, the pay plan bill, are shown in red:

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- (6) officers or members of the militia;
- (7) agency heads appointed by the governor;
- (8) academic and professional administrative personnel with individual contracts under the authority of the board of regents of higher education;
- (9) academic and professional administrative personnel and live-in houseparents who have entered into individual contracts with the state school for the deaf and blind under the authority of the state board of public education;
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